

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Notice of Market Dominant  
Price Adjustment

Docket No. R2013-1

CHAIRMAN'S INFORMATION REQUEST NO. 4

(Issued October 25, 2012)

To clarify the Postal Service's planned market dominant price adjustments in its Notice of Market-Dominant Price Adjustment, filed October 11, 2012 (Notice), the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than October 30, 2012.

Simple Samples

1. The Postal Service proposes several new pricing and preparation standards for parcels in Standard Mail High Density and Saturation Flats/Parcels, and Standard Mail Carrier Route. See Notice at 25.
  - a. Please confirm that these changes would:
    - i. shift High Density Parcels from High Density and Saturation Flats/Parcels to Carrier Route;
    - ii. separate Saturation Parcels from High Density and Saturation Flats and Parcels for separate rate treatment;
    - iii. provide volume discounts to mailers on a per-piece basis, eliminating the piece/pound breakpoint;

- iv. eliminate workshare discounts for dropshipping and presorting between High Density and Carrier Route Parcels; and
    - v. introduce new pallet/sack/carton handling fees.
  - b. If any subpart is not confirmed, please explain.
- 2. Please provide the following information to enable the Commission to analyze the impact of the new Simple Samples classification:
  - a. a copy of the Governor's decision supporting the proposal, if any, pursuant to 39 CFR 3020.31(b);
  - b. a description of the availability and nature of enterprises in the public sector engaged in the delivery of the product pursuant to 39 CFR 3020.32(f);
  - c. any information available on the views of those who use the product on the appropriateness of the proposed modification pursuant to 39 CFR 3020.32(g);
  - d. a description of the likely impact of the proposed modification on small business concerns pursuant to 39 CFR 3020.32(h); and
  - e. any such information and data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposal pursuant to 39 CFR 3020.32(i).
- 3. Please refer to the new pricing structures for Carrier Route Parcels, High Density Parcels, and Saturation Parcels. See Notice, Attachment A at 26-27, 30, and 36-37. The new structure eliminates some workshare discounts, but adds handling fees based on the entry dropship/presort level. Pursuant to 39 CFR 3010.14(c), please provide the following information regarding the new handling fees.

- a. a statement explaining the reasons for establishing the discounts;
  - b. all data, economic analyses, and other information relied on to justify the discounts; and
  - c. a certification based on comprehensive, competent analyses that the discount will not adversely affect either the rates or the service levels of users of postal services who do not take advantage of the discounts.
4. Please refer to the new pricing structures for Carrier Route Parcels, High Density Parcels, and Saturation Parcels. See Notice, Attachment A at 26-28, 30, and 36-37.
- a. Please explain price options available to a mailer who wishes to enter mail at an origin facility.
  - b. Please explain price options available to a mailer who wishes to enter mail at a destination delivery unit.
  - c. Please provide examples of when a mailer would be charged the 3-Digit Pallet Presort Carton/Sack Handling Fees.
  - d. Please confirm that all pieces must be entered on pallets or in sacks or cartons. If not confirmed, please explain.
  - e. Please explain the rationale for pricing DNDC–5-Digit pallet handling fees (\$74.168) higher than DNDC–3-Digit pallet handling fees (\$45.614).
  - f. Given the substantial difference in handling fees, please explain what incentive a mailer has to prepare a DNDC–5-Digit pallet as opposed to a DNDC–3-Digit pallet.

5. For each of the following Entry Point/Presort Pallet categories, please identify the operational steps involved in processing the parcel through delivery and the cost associated with each of these steps.
  - a. DNDC–3-Digit;
  - b. DNDC–5-Digit; and
  - c. DSCF–5-Digit.

### First-Class Mail

6. Please refer to USPS-LR-R2013-1/1, Excel file: CAPCALC-FCM-R2013.xls, tabs: Presort Ltrs & Crds and Flats.
  - a. Confirm that percentage change in price by product does not include any of the revenue forgone from the Mail to Mobile Promotions or the Earned Value Reply Mail Promotion. If not confirmed, please explain.
  - b. If subpart a. is confirmed, please recalculate the percentage change in price for each First-Class Mail product, taking into account revenue forgone from the Mail to Mobile Promotions and the Earned Value Reply Mail Promotion.

### Special Services

7. Please explain the difference between:
  - a. Change-of-Address Customer Confirmation Letter Reprint; and
  - b. Change-of-Address Customer Notification Letter Reprint.

By the Chairman.

Ruth Y. Goldway